PROVISIONAL

E/1997/SR.8
25 July 1997

ENGLISH
Original: FRENCH

ECONOMIC AND SOCIAL COUNCIL

Substantive session of 1997

PROVISIONAL SUMMARY RECORD OF THE 8th MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 1 July 1997, at 10 a.m.

President: Mr. GALUSKA (Czech Republic)

CONTENTS

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION:

(a) COORDINATION OF ACTIVITIES ON A SYSTEM-WIDE BASIS: FUNDING FOR OPERATIONAL ACTIVITIES FOR DEVELOPMENT: IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTION 50/227 (continued)

Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent within one week of the date of this document to the Official Records Editing Section, room E.4108, Palais des Nations, Geneva.

GE.97-62318 (E)

The meeting was called to order at 10.05 a.m.

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION:

(a) COORDINATION OF ACTIVITIES ON A SYSTEM-WIDE BASIS: FUNDING FOR OPERATIONAL ACTIVITIES FOR DEVELOPMENT: IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTION 50/227 (agenda item 3 (a)) (continued) (E/1997/65 and Add.1-4; A/55/155-E/1997/68, E/1997/78)

High-level meeting

Mr. DESAI (Under-Secretary-General in Charge of the Economic and Social Departments) introduced the report of the Secretary-General and its addenda (E/1997/65 and Add.1-4). Those documents were centred on the three topics which the Council had selected for its 1996 session: resources for operational activities, field- and regional-level coordination and capacity-building; the last addendum was a compilation of statistical data on operational activities. He hoped that the Secretary-General's recommendations would inspire fruitful debate and lead to the adoption of clear policy guidelines.

Mr. SPETH (Administrator, United Nations Development Programme (UNDP)) said that, from the perspective of the United Nations funds and programmes, the most important aspect of General Assembly resolution 50/227 was doubtless the future funding of operational activities for development. The resolution called for the funds and programmes to adopt specific, realistic targets for core resources, based on the needs arising from their programmes and mandates. He planned to present a proposed funding strategy for UNDP to the Executive Board in September 1997.

The proposed funding strategy emphasized three basic concepts, which were set forth in the annual UNDP report to the Council (E/1997/79): making UNDP more efficient and transparent so as to increase its attractiveness at a time when major traditional donors might be downsizing their own aid infrastructure and institutions; showing emerging donors from the newly industrializing countries that, as economic globalization continued, the countries targeted for core funding by UNDP were potential economic partners and that contributions to core resources could help those potential partners to develop, increasing long-term mutual gains; and seeking additional core contributions from net recipient countries. Basically, UNDP must encourage

its major donors to increase contributions and must expand its donor base to other countries which were currently better able to contribute.

The needs of UNDP programme countries, particularly the poorest, were enormous and continued to grow, whereas the availability of core resources continued to stagnate and even decline. Core resources would account for only $800 million of the $2 billion of UNDP resources for 1997. Core resources could not be replaced by other resources if UNDP and multilateral cooperation were to survive. The UNDP Executive Board, in a decision on change management, had once again emphasized the importance of core resources as the foundation of the UNDP resource base. However, despite reforms and increased productivity, the target figures were far from being reached.

It was his fervent hope that the Council would encourage Member States to give the executive boards of all the funds and programmes the support which they needed in order to carry out their funding strategies. The Secretary-General's report on progress in the implementation of General Assembly resolution 50/120 (E/1997/65) made vigorous recommendations which dealt specifically with measures to increase core and non-core resources. Those recommendations reflected the Council's position and comprehensive guidance.

Mr. WOHLFART (Luxembourg), speaking on behalf of the European Union and various associated countries (Bulgaria, Cyprus, the Czech Republic, Estonia, Lithuania, Slovakia and Slovenia), said the European Union considered that the United Nations played a unique role in supporting the development process. It was therefore essential that the United Nations system should be able to offer both donor and recipient countries a high-quality instrument in areas where it enjoyed a comparative advantage. That objective could only be achieved through a profound process of reform and renewal. For that reason, the European Union attached great importance to the implementation of all the provisions of General Assembly resolutions 50/120 and 50/227. The European Union congratulated the Secretary-General on the first set of measures which he had put in place concerning the strengthening of the United Nations presence in the field and awaited with interest the presentation of the second part of that reform, which should have an impact on the operational activities of the United Nations system.

Contributions to the major funds and programmes had remained stable over the past few years, despite the negative trend in official development assistance (ODA). However, within that overall sum, there had been a reduction in core and an increase in non-core resources, the latter of which now accounted for over 50 per cent of the total resources available for operational activities. Furthermore, about 15 major donor countries, 10 of them members of the European Union, provided almost 90 per cent of core resources: as the Secretary-General had noted, such a distribution posed a threat to the activities of the funds and programmes. The European Union was thus the main contributor to the system since it provided, for example, nearly 60 per cent of UNDP core resources.

The European Union, which had already made known its general views on the funding of operational activities by forwarding to the Secretary-General its proposals for reform of the United Nations system in the economic and social areas in January 1997, wished to make several points. The executive boards of the funds and programmes should establish clear priorities since it was in regard to those priorities, as well as to the commitments entered into and the resources available, that needs could be evaluated. Furthermore, the executive boards should establish a clearer link between the volume of activities and the need for resources. The European Union also encouraged the executive boards to adopt specific, realistic objectives for their core resources and to be guided by General Assembly resolution 50/227 in making their own funding arrangements.

With regard to resource flows and their predictability, while emphasizing the importance of directing private capital flows towards developing countries and the need for appropriate national policies to attract such capital, the European Union reaffirmed its ongoing commitment to achieving its development assistance target of 0.7 per cent of gross national product (GNP) as quickly as possible.

Burden-sharing should be based on the recognition that the financing of operational activities was a joint responsibility of all Member States: a new partnership, based on a shared assessment of United Nations goals in the development field, must be established and reflected in a fair distribution of the financing burden, including by countries which had successfully exited from developing country status. Ways should be found to reallocate savings

resulting from reform and improved cost-effectiveness in order to strengthen operational activities. Funds raised from new and innovative sources should contribute towards commitments and overall priorities adopted by common agreement at major international conferences.

Since the tendency of donors to attach conditions to their contributions had been confirmed over the past few years, the funds and programmes should adopt a new approach which would take into account the consequences and potentials of that trend. Since it was essential to increase the core resources available to the system, the executive boards of the funds and programmes should attempt to draw lessons from the increase in non-core resources and to transfer those lessons in order to make core resources more attractive. The European Union welcomed the recent decisions taken by the executive boards, which had increased the impact and effectiveness of operational activities at the country level.

Mr. MCHUMO (United Republic of Tanzania), speaking on behalf of the Group of 77 and China, said that those countries attached great importance to operational activities for development. Adequate, predictable and regular funding was indispensable to the pursuit of those activities. Unfortunately, for many years, there had been a considerable decrease in the core and voluntary resources of the funds and programmes, in part because some donors had adopted a rather restrictive interpretation of the roles of the bodies in question.

The General Assembly, in its resolution 50/227, had postponed a decision concerning the future of the United Nations Pledging Conference for Development Activities. Before such a decision was taken, it was important to put in place an alternative mechanism for fund-raising. He therefore hoped that the Council would consider the matter at its current session and make appropriate recommendations to the General Assembly.

Since operational activities were carried out for the benefit of recipient countries, their integration into the national development process was of the utmost importance. Programmes implemented under those activities should be country-driven, make the greatest possible use of national expertise and take into account the specific situation of each country. In that regard, he welcomed the strengthening of the resident coordinator system. While there

was a need for further refinement of that system, it was essential to programme success that the resident coordinators should remain the focal points for dialogue at the country level.

The country strategy note (CSN) was also very important in enhancing the effectiveness of country programmes. In countries where the CSN was still under preparation, the United Nations system must continue to rely on existing national policies and programmes. Countries should be given enough time to produce good CSNs arising from broad-based consultations. On the other hand, the Group of 77 and China were not convinced of the usefulness of a regional strategy note, an idea which needed to be further developed.

Mr. ORDGIONIKIDZE (Russian Federation) commented on the Secretary-General's report on trends in core and non-core resources (E/1997/65/Add.1). Donor fatigue, problems connected with the efficiency of funds and programmes and the shift from multilateral to bilateral aid were often named as reasons for the decrease in core resources. His delegation believed that the primary cause was the fact that, contrary to many resolutions and decisions, those resources were not guaranteed on a predictable, continuous and assured basis. The goal of the Council's high-level meeting on the implementation of General Assembly resolution 50/227 was to find ways of reversing that trend.

In recent years, the scope of activities of the funds and programmes had expanded considerably while the overall funding base had increased only marginally; in fact, there had been a decrease in core resources and an increase in non-core resources. The latter's utilization was sometimes beyond the control of the executive boards; if that trend continued, it might affect programme activities based on national plans and priorities and endanger the balanced, universal character of United Nations operational activities.

However, changing the relationship between core and non-core resources was not in itself a goal. The main criteria should be whether the plans and priorities of recipient countries were met and whether the efficiency of programme delivery was improved. One of the main reasons for the decrease in core resources was the low efficiency of their utilization by some recipients. Therefore, the funds and programmes should seek to establish favourable national environments for better use of technical assistance, national capacity-building and execution. However, substantial improvement in the

funding of operational activities would depend on whether the funds and programmes themselves made efforts to achieve greater efficiency and whether traditional donors had the political will to increase their support for United Nations development activities. The donor base should also be expanded, particularly as such an expansion would encourage traditional donors. At present, the United Nations Children's Fund (UNICEF) and UNDP were virtually the only agencies which could count on a sufficiently broad donor base. For its part, UNDP had been correct in more actively involving country offices in the mobilization of additional resources. It was also important to call on non-governmental sources, including the private sector, and recipient countries themselves as a source of additional resources.

The idea of negotiated pledges needed further consideration since, while it had certain merits, it also had disadvantages. His delegation was convinced that any proposals for an increase in core funding should be based on the fundamental characteristics of operational activities, their universal, neutral, voluntary and grant nature; hence, it saw no need to disrupt a system which had justified itself over the years.

All the multilateral institutions and bilateral donors must ensure effective coordination of their activities. Greater efforts should be made in that regard, and it was the United Nations system which, given its universal and neutral nature, should take on that responsibility. Coordination should also be raised from the level of information exchange to that of programme implementation.

His delegation considered that the timing of the Pledging Conference should be changed in order to synchronize it with the budget cycles of donor countries. In any case, the search for an optimal mechanism for pledging should be continued.

Ms. RASI (Finland) associated herself with the statement made on behalf of the European Union and said that all countries were responsible for their development processes. They must demonstrate their commitment to the funds and programmes responsible for operational activities in the field of development and contribute to the financing of the system. At the same time, those activities should be reorganized in order to make them more effective. In that regard, the provisions of General Assembly resolution 50/227 were still valid. Unfortunately, little had been done to implement them.

Stagnation of core resources, use of the United Nations system to channel bilateral assistance and the placing of conditions on core resources which did not necessarily correspond to the priorities of recipient countries were among the trends which compromised the multilateral nature of operational activities for development.

Furthermore, most of the United Nations development programmes depended on a small group of donors whose short-term concerns and economic difficulties naturally had an impact on those programmes. There was therefore an urgent need to develop a new funding system with clear, universal criteria. The three mechanisms mentioned in resolution 50/227 - assessed, negotiated and voluntary contributions - should be considered by the governing bodies of the various programmes and funds, which should submit their suggestions to the General Assembly during the triennial policy review scheduled for 1998. Consideration should also be given to ways of expanding the resource base, perhaps by calling for contributions from non-governmental sources and exploring new funding mechanisms.

Everything possible should be done to ensure solid, predictable core funding, supplemented, if needed, by earmarked donations for activities clearly within the mandate of the respective organizations in order to avoid duplication.

Finland did not intend to reduce its contribution to operational activities for development and had reaffirmed its commitment to attaining the ODA target of 0.7 per cent of GNP; to that end, it had increased its annual contribution.

Mr. MARIN (Observer for Bulgaria) said that Bulgaria, with an economy in transition, was a beneficiary country and, as such, was in a position to articulate the need for a strengthened United Nations role in multilateral cooperation for development.

The future of such cooperation must be seen within the broader context of United Nations reform. In that regard, his delegation supported the measures taken by the new Secretary-General and believed that consideration of funding of operational activities should be guided by the provisions of General Assembly resolution 50/227. It agreed with the European Union that, in assessing the need for financing, due consideration should be given to the

decisions adopted by the executive boards of the funds and programmes. There should be a direct link between the volume of activities and the resources allocated.

All countries should share the funding of operational activities in accordance with their means. Despite its present economic hardships, Bulgaria was strictly fulfilling its financial obligations. He also expressed support for strengthening the resident coordinator system, which played a key role in coordinating the various activities undertaken by United Nations bodies in support of country-driven development objectives.

Mr. POSAYANOND (Thailand) said his delegation had been interested to learn of the proposal to consolidate the operational activities of four United Nations bodies - UNDP, UNICEF, the United Nations Population Fund (UNFPA) and the World Food Programme (WFP) - into a single United Nations development group. The proposal was a very challenging one, and the development bodies should be encouraged to consider it in a constructive spirit.

In order to enhance the effectiveness of operational activities, their funding must be increased in accordance with the growing needs of developing countries in order to promote the latter's autonomy. However, there had been a steady decline in core resources, a tendency which could only hinder the activities of the United Nations funds and programmes. They should therefore be encouraged to seek new sources of funding, for example, the private sector, provided that the interests of that sector were compatible with the objectives of sustainable development. In any case, private sector funds could not replace ODA. Developed countries whose ODA was not commensurate with their capacities should be encouraged to increase their contributions.

Finally, apart from funding, another important factor in the success of operational activities for development was the establishment of a genuine partnership among donors, recipient countries and United Nations bodies. Thailand had always enjoyed close cooperation with all its development partners and was convinced that that spirit of partnership must be developed and encouraged.

Mr. FUST (Observer for Switzerland) said that development cooperation was going through a difficult period. While some developing countries were able to manage without ODA, many others were more dependent on

it than ever. Under those circumstances, the principal United Nations funds and programmes were faced with a double challenge. On the one hand, increasing demands were placed on them - for example, they had been asked to handle follow-up to the major international conferences - while their core resources were failing to increase, and even decreasing. On the other, growing competition between the various donors was resulting in duplication which the international community could no longer afford.

Switzerland therefore actively supported the recently undertaken reforms of those funds and programmes. The recently announced Track One of those measures had been a good beginning which should lead to concrete improvement in the near future. For example, better coordination and closer cooperation at the country level could be expected thanks to a strengthened resident coordinator system.

With regard to the methods of funding the funds and programmes, pledging contributions on an annual basis had disadvantages but it was clear that, without a minimum of continuity and predictability in funding, agencies would increasingly be forced to seek multilateral funding sources which could only compromise their independence.

Core resources had a key role in operational activities. Switzerland would continue to assume its share of funding them, although it was in favour of achieving a new balance between traditional donors and new funding sources. It was also prepared to discuss various methods of ensuring a more predictable resource base for the funds and programmes, provided that the latter could demonstrate their effectiveness and their relative advantage over bilateral channels of assistance.

Ms. SADIK (Executive Director, United Nations Population Fund (UNFPA)) said it was essential to improve the financing of operational activities in order to ensure a steady, predictable flow of resources. While the various methods of funding proposed by the Secretary-General in his report were interesting, it was important that multilateral or earmarked assistance should not compromise core resources and that support should always be provided as part of an agreed national programme. The International Conference on Population and Development (ICPD) had been the only United Nations conference to spell out a schedule of resource mobilization in order to achieve a specific set of development objectives.

The success of the Programme of Action approved at that conference would depend on an increase in resources. While UNFPA appreciated the fact that its annual resources had risen from $212 million to $313 million between 1990 and 1995, there had been no increase from 1995 to 1996. The international community must provide additional resources in order to meet the needs of the developing and, in particular, the least developed countries in the areas of population and reproductive health and to support those countries' own efforts in those areas. If the financial goals established at the Conference were not achieved, the short- and long-term consequences would be serious for millions of children and women who would be deprived of their human and, in particular, their reproductive and sexual rights.

The recently concluded agreement between UNFPA and the European Commission on a regional programme executed by non-governmental organizations (NGOs) in several Asian countries might foreshadow an expansion in that type of multi-bilateral funding. Debt-swap agreements were another potential major source of resources. However, nothing could replace regular contributions to the core resources. It must be emphasized that voluntary contributions, on which the voluntary funds and programmes were entirely dependent, were the first to be cut at the expense of essential areas of development. It was therefore of the greatest importance for donor and recipient countries to restore the concept of a partnership for development and to respect the financial commitments that they had made at the International Conference on Population and Development.

Mr. Myung Chul HAHM (Republic of Korea) emphasized the need to re-examine and improve operational activities in order to meet the challenges of a changing world economy and its increasing risk of marginalization for the most vulnerable countries. His delegation therefore supported the Secretary-General's recommendations for capacity-building and believed assistance in that area should focus more closely on long-term results and that criteria for evaluation and guidance should be established on a system-wide basis.

In its efforts to strengthen South-South cooperation, the Republic of Korea attached great importance to capacity-building and, while it did not claim to be a role model, was convinced that its own development experience could be of use to other countries. In that spirit, it had

established the Korea International Cooperation Agency in 1991 and planned to invite 1,270 trainees from 85 developing countries, to dispatch 70 experts to 33 countries and 4 international organizations, to send 140 volunteers to 23 countries and to contribute $35 million to building technical apparatus and promoting technical products during 1997.

His delegation noted with concern the decline in ODA and the stagnation of resources for operational activities and supported the Secretary-General's various recommendations for the mobilization of additional resources and more efficient use of existing funds. It favoured broadening the core resource base and believed that Member States should demonstrate the necessary political will and increase their contributions to the Organization's operational activities. For its part, Korea had increased its voluntary contributions to $20 million in 1997 and planned to increase them further in 1998. It welcomed the suggestion that funds should be sought from non-governmental sources, including the private sector.

With regard to coordination, his delegation was in favour of strengthening the role of the resident coordinators, full implementation of the CSN system and the establishment of common premises. It considered that regional and subregional approaches could increase the effectiveness of programmes, welcomed a trial implementation of regional strategy notes and hoped that a report on the results of that experiment could be submitted to the Council at its next session.

Mr. KONISHI (Japan) said that the participants in the recent Denver summit had reaffirmed their commitment to a new global partnership for development. On the basis of his own country's New Development Strategy, he wished to make a number of comments on funding for operational activities. Firstly, he emphasized the important role of the private sector (which, moreover, had increased considerably during the past 10 years) and encouraged the United Nations funds and programmes to adjust their funding arrangements so as to facilitate participation of that sector in their operational activities, channelling private flows to a wider circle of developing countries.

Secondly, he stressed the growing importance of South-South cooperation and appealed to the newly industrialized countries, which were often better able than developed countries to respond to the particular needs of developing

countries, to participate actively in the operational activities of the United Nations. The usefulness of South-South cooperation had been reaffirmed at the second Asia-Africa Forum, which Japan had organized at Bangkok in cooperation with the United Nations and UNDP.

Thirdly, it was important to review operational activities in the context of their respective mandates and comparative advantages in order to rationalize them and eliminate any duplication and to review the staffing levels of the funds and programmes and related departments of the Secretariat in terms of efficiency and competence.

Fourthly, it was essential to enhance the cost-effectiveness of operational activities. To that end, the funds and programmes should follow the recommendation made in General Assembly resolution 50/227 by adopting a specific and realistic target for core resources and should ensure a direct relationship between resource requirements and specific development targets.

Fifthly, Japan considered that multi-bilateral cooperation, by facilitating resource mobilization and creating synergies, was an important mechanism for improving aid coordination and efficiency and should be encouraged. Japan and UNDP, for example, had dispatched a study mission to India and Pakistan in November 1996, as a result of which several projects of that type had been initiated.

Mr. MARRERO (United States of America) said that the United Nations, through its funds and programmes, played a unique and pivotal role in fostering sustainable development thanks to its advantage in coordination-related matters and that the challenge was to improve that coordination without increasing bureaucracy. Harmonized budgeting, programming and priority-setting through common country assessments and development assistance frameworks would make it possible to provide more effective assistance to those who really needed it. The resident coordinator system should be strengthened while maintaining individual agencies' access to the host Government and programme accountability. The current practice, whereby UNDP provided administrative support to the resident coordinators did not necessarily entail conflicts of interest; however, tensions could be minimized by issuing a clear directive that the resident coordinator must represent the mandates and interests of all funds and programmes. In the

future, candidates from other agencies should be encouraged to apply for that post, and the goals should be to attain an overall level of parity.

Reforms undertaken in the Secretariat, UNICEF and UNDP should also help to improve coordination in the field. However, the question of funding remained crucial. His delegation recognized the importance of core resources and believed that the various funds and programmes should explore new ways of encouraging voluntary contributions in that regard. However, it considered that non-core resources, mobilized with the agreement of the host Government and in accordance with its development priorities, could effectively supplement core resources without detracting from the neutrality of United Nations agencies.

While his delegation believed that efforts to make core contributions more predictable should be pursued, he pointed out that some Member States, such as his own country, could not make multi-year commitments or negotiated pledges because of the nature of their budget process.

Furthermore, the United States did not see the usefulness of setting goals for ODA and refused to accept the "agreed target" mentioned in resolution 50/227. He also reiterated his Government's strong objection to any form of international taxation.

Further reform within the Secretariat offered a real prospect for savings that could be channelled into development. In particular, all capacity-building activities should be handled by a single agency, probably the United Nations Office for Project Services (UNOPS). If reform was to encompass not merely change, but also progress, efforts must be made to promote more efficient use of the resources at hand in order to help the impoverished people of the world.

Mr. SOEPRAPTO (Observer for Indonesia) said developing countries considered that the operational activities of the United Nations development system were indispensable to their own efforts. Their universality, voluntary basis and neutrality made them central to capacity-building in those countries. However, in order for their positive impact to continue, it was imperative that adequate resources should be made available on a predictable, continuous and assured basis. That requirement had become more important than ever since the advent of rapid globalization and the commitments made at recent major United Nations conferences. Voluntary

contributions from official sources should remain the primary funding base for those activities, as emphasized in General Assembly resolution 50/227 and the Secretary-General's report. However, despite those decisions and renewed commitments, total available resources had continually diminished and core resources had plummeted. The resources available for operational activities were not commensurate with the increasing needs of the developing countries. The current imbalance between core and non-core resources - which lacked the universality and neutrality of core funding - was also a matter for concern: the percentage of core resources should, therefore, be increased. To that end, there was an urgent need for new strategies, such as the three-pronged approach recommended by the Secretary-General. Furthermore, strengthening the resident coordinator system as a way of improving programme efficiency and enhancing transparency within operational activities should make it possible to attract increased flows of resources. Donors, in turn, should confirm the fundamental characteristics of the funding of operational activities, which, as the Secretary-General had stated, must be voluntary, neutral and multilateral. The critical issue of eliminating poverty should inspire an increase in core resources. He hoped that the international community would mobilize the necessary political will so that the targets agreed and the commitments assumed could be fulfilled and the ODA target of 0.7 per cent of GNP could be achieved.

Mr. MARCH (Australia) said Australia shared the goal of eliminating poverty, it wholeheartedly supported the United Nations development system and endorsed a strategy for capacity-building as both a means of implementation and a valid goal. There was no lack of guidance on development priorities, including reports, the outcome of international conferences and General Assembly resolutions, particularly 50/120 and 50/227.

There was a need for funds in order to implement those resolutions. However, ODA was stagnating or declining and multilateral assistance was decreasing whereas targeted funding was increasing. There had also been a drop in core resources. It was natural to wonder about the reasons for that situation: could it be that the current model was not perfect?

The United Nations funds and programmes must be able to demonstrate success in order to obtain funding from donors. They should also embark upon reforms, some of which had already been undertaken. Reform must be viewed not

as an end in itself, but as part of a strategy. It should not promote independent action on the part of national plans and priorities, but rather should increase the effectiveness of activities undertaken in order to obtain the necessary funding for development. Other elements of that strategy included timely and complete payment of United Nations dues and pledges, full implementation of resolutions 50/120 and 50/227, better orientation of United Nations activities so as to attract private-sector support and efforts to expand the donor base. Australia would continue to support the United Nations funds and programmes, provided that they were effective and adopted the necessary reforms. It supported the idea of a United Nations system which would be well-funded, effective and able to address the question of poverty elimination in the countries of greatest need.

Mr. YUAN Shaofu (China) said that, with the steady development of global economic integration, economies had become increasingly interdependent. The rapid economic growth of some developing countries, primarily through their own efforts, was therefore an important contribution to the development of the world economy. However, it was important to remember that there were few such countries and that their development was not necessarily balanced and sustained. The international community, and developed countries in particular, should therefore assist them by providing funds, technology transfer and increased development assistance. It had been hoped that peace dividends would be used to facilitate the economic and social development of poor countries, but such hopes had proved vain.

His Government had always attached great importance to, and had supported, the operational activities of the United Nations system for development and technical assistance. However, the shortage of funds was hindering those activities. In some cases, the resources mobilized had fallen far short of the targets that had been set, which had posed a serious obstacle to the implementation of aid programmes. His delegation appealed to all developed countries to demonstrate their political will on the funding issue and to earnestly implement the relevant General Assembly resolutions (48/162, 50/120 and 50/227). With regard to the Secretary-General's recommendations, his delegation considered that core resources, which were the basis of funding for operational activities, should be fundamentally guaranteed and that voluntary contributions from the developed countries should continue to be the primary source of such resources. Negotiated contributions should make it

possible to ensure burden-sharing between developed countries, and assessed contributions should account for no more than 5 per cent of core resources. Furthermore, local costs borne by recipient countries should be counted as assessed contributions. Lastly, his delegation believed that the annual pledging conference for development activities should be continued.

Ms. BELLAMY (Executive Director, United Nations Children's Fund (UNICEF)) said that the predictable, continuous and assured funding of operational activities was indispensable if the United Nations system for development assistance was to fulfil its mandate and carry out the reforms which had been undertaken and which, in turn, would make possible an increase in available resources. It was unfortunate that certain past commitments concerning contributions had not been fulfilled. New mechanisms for burden-sharing must therefore be sought. For example, during the previous year, the private sector had contributed nearly $300 million to UNICEF, a third of its budget. However, 40 per cent of its resources had come from the five, and 60 per cent from the 10, principal donors.

Nevertheless, there had been progress in burden-sharing. Developing countries, for example, were mobilizing resources for their own programmes. Thus, Brazil had provided nearly $14 million in 1996.

Various factors influenced the volume of available resources: variable contributions, exchange rates, "favouritism" towards a given country or politicization of supplementary contributions. Core resources - which could be used flexibly and efficiently - were inherent to multilateralism. In order to increase them, it was necessary to ensure operational efficiency and transparency, demonstrate results, produce reports on time, carry out reforms, ensure that a larger percentage of ODA was devoted to multilateral assistance, seek new funding sources from the public sector, partnerships with civil society and new donor countries, and, finally, seek new areas of activity such as governance, the rights of the child, child labour, democratization and sexual exploitation. However, it must be remembered that not all problems could be solved by turning to the private sector. Resource mobilization was an extremely problematic and specific activity, and the best way of obtaining funds was still to demonstrate impressive results.

The meeting rose at 12.20 p.m.